

## **HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**

### **GENERAL INFORMATION DOMESTIC PARTNER ENROLLMENT**

The Hawaii Employer-Union Health Benefits Trust Fund ("EUTF") permits employee-beneficiaries (eligible public employees and retirees) to enroll domestic partners as dependent-beneficiaries in the EUTF's health benefits plans. This information sheet gives general information concerning such enrollments.

#### **Who May Enroll?**

In order for an employee-beneficiary to enroll a domestic partner in an EUTF health benefits plan, the following requirements must be met:

1. The employee-beneficiary and domestic partner must live in a spouse-like relationship.
2. The employee-beneficiary and domestic partner must intend to remain in a domestic partnership with each other indefinitely.
3. The employee-beneficiary and domestic partner must have a common residence and intend to reside together indefinitely.
4. The employee-beneficiary and the domestic partner are and agree to be jointly and severally responsible for each other's basic living expenses such as food, shelter, and medical care.
5. Neither the employee-beneficiary nor the domestic partner are married or a member of another domestic partnership.
6. The employee-beneficiary and domestic partner are not related by blood in such a way that would prevent them from being married to each other in the State of Hawaii.
7. The employee-beneficiary and domestic partner are both at least 18 years of age and mentally competent to contract.
8. The consent of the employee-beneficiary or the domestic partner to the domestic partnership was not obtained by force, duress, or fraud.
9. The employee-beneficiary and domestic partner must sign and file a declaration of their domestic partnership with the EUTF in such form as the EUTF board of trustees may from time to time prescribe.

An employee-beneficiary may also enroll a domestic partner's children as dependent-beneficiaries so long as the children meet the EUTF eligibility requirements applicable to the enrollment of dependent children.

### **What is the Enrollment Process?**

In order to enroll a domestic partner, the employee-beneficiary and domestic partner must file the following forms:

1. An enrollment application with the EUTF in the form prescribed by the EUTF board of trustees.
2. A Declaration of Domestic Partnership in the form prescribed by the EUTF board of trustees.
3. An Affidavit of Dependency for Tax Purposes in the form prescribed by the EUTF board of trustees.

Items 1 and 2 are required before an employee-beneficiary may enroll a domestic partner in an EUTF health benefits plans. If an employee-beneficiary and domestic partner fail to file item 3, the EUTF will process the enrollment of the domestic partner, but the EUTF will report the domestic partner as a non-dependent for tax purposes (see below). In certain cases, the EUTF may require additional information and documentation before enrolling a domestic partner.

When a domestic partnership terminates or ceases, the employee-beneficiary and/or former domestic partner are required to notify the EUTF within 30 days. The EUTF has a form for Declaration of Termination of Domestic Partnership.

All EUTF forms are available on the EUTF's website or at the EUTF offices (see addresses below).

### **What is the Cost of Enrolling a Domestic Partner?**

In order to enroll a domestic partner, an employee-beneficiary must select family plan coverage.

If the employee-beneficiary is enrolled in self-only coverage, the employee-beneficiary must change to family

plan coverage and pay the increased costs for the employee's share for such coverage. As shown below, there will be tax effects from the employee-beneficiary's enrollment of a domestic partner if the domestic partner does not qualify as the employee-beneficiary's dependent for federal tax purposes.

If the employee-beneficiary is already receiving family plan coverage, there will be no change in the amount of the employee's contribution. However, as shown below, there will be tax effects associated with the employee-beneficiary's enrollment of a domestic partner - if the domestic partner does not qualify as the employee-beneficiary's dependent for tax purposes.

### **What are the Tax Effects of Enrolling a Domestic Partner?**

The following information is provided as a general overview of current tax laws and should not be construed as tax or legal advice. If you have any questions about the tax effects of enrolling a domestic partner, you should contract your tax advisor.

If the employee-beneficiary's domestic partner qualifies as the employee-beneficiary's dependent for federal tax purposes, enrolling the domestic partner will not affect the employee-beneficiary's taxable wages. Whether or not a domestic partner qualifies as the employee-beneficiary's dependent is determined under Section 152 of the Internal Revenue Code. Employee-beneficiaries should seek advice from their tax counsel, accountant, or other advisor in determining whether their domestic partner is their dependent for federal tax purposes.

If the employee-beneficiary's domestic partner is not his or her dependent for federal tax purposes, the fair market value of the provision of EUTF health plan benefits to the domestic partner less how much the employee-beneficiary pays for such coverage with after-tax dollars will be considered taxable income to the employee-beneficiary for employment and income tax purposes.

Further, unless the employee-beneficiary covers other persons who qualify as dependents for federal tax purposes, the addition of a non-qualified domestic partner will limit the employee-beneficiary's ability to pay for his or her family plan coverage with pre-tax dollars (via the premium

conversion plan). The employee-beneficiary may have to pay for a significant amount of his or her contribution with after-tax dollars.

**Further Information?**

If you have questions or desire further information regarding enrollment of a domestic partner, you can:

E-mail the EUTF at [eutf@hawaii.gov](mailto:eutf@hawaii.gov);

Call the EUTF at 586-7390 or toll free at 1-800-295-0089;

Stop by the EUTF offices at 201 Merchant Street, Suite 1520, Honolulu, Hawaii.